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**TOWN OF  
LAWNDALE  
NORTH CAROLINA**

JUL 14 1979

**ANNEXATION STUDY**







ANNEXATION STUDY  
TOWN OF LAWDALE

PREPARED FOR:

Town of Lawdale

PREPARED BY:

Lawdale Town Board

TECHNICAL ASSISTANCE  
PROVIDED BY:

NORTH CAROLINA DEPARTMENT OF SOCIAL  
RESEARCH AND COMMUNITY DEVELOPMENT  
Howard A. Lee, Secretary

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W. J. Thompson, Community Development  
Planner

Robert G. Rector, Draftsman

William A. Hall, Scribe

ANNEXATION STUDY  
TOWN OF LAWDALE





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PREPARED FOR:

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Lawndale Town Board

TECHNICAL ASSISTANCE  
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NORTH CAROLINA DEPARTMENT OF NATURAL  
RESOURCES AND COMMUNITY DEVELOPMENT  
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## CHAPTER 1

### INTRODUCTION AND PURPOSE

Annexation is the procedure whereby a municipality may extend its corporate limits to include additional land which in most cases is "urban in character". Most development in North Carolina is occurring outside the present corporate limits of most municipalities in an area commonly referred to as the "urban fringe". The extent of this development often necessitates the availability of municipal services, especially water, sewer and fire protection. Recognizing this trend the North Carolina General Assembly has stated its belief that whatever is urban in character should also be municipal. The following is the policy of the State of North Carolina regarding annexation:

§ 160A-33. Declaration of policy. -- It is hereby declared as a matter of State policy:

1. That sound urban development is essential to the continued economic development of North Carolina;
2. That municipalities are created to provide the governmental services essential for sound urban development and for the protection of health, safety and welfare in areas being intensively used for residential, commercial, industrial, institutional and government purposes or in areas undergoing such development;
3. That municipal boundaries should be extended, in accordance with legislative standards applicable throughout the State, to include such areas and to provide the high quality of governmental services needed therein for the public health, safety and welfare; and
4. That new urban development in and around municipalities having a population of less than 5,000 persons tends to be concentrated close to the municipal boundary rather than being scattered and dispersed as in the vicinity of larger municipalities, so that the legislative standards governing annexation by smaller municipalities can be simpler than those for large municipalities and still attain the objectives set forth in this section;







5. That areas annexed to municipalities in accordance with such uniform legislative standards should receive the services provided by the annexing municipality as soon as possible following annexation. (1959, c. 1010, s. 1; 1973, c. 426, s. 74).

Consequently, the General Assembly granted municipalities rather liberal procedures by which they may extend their corporate limits to include much of the areas developed for urban purposes.

A municipality in North Carolina may extend its corporate limits by any one of three methods. These are (1) action by the General Assembly, (2) the 100 percent petition procedure, and (3) by the authority granted to municipalities by Chapter 160A, Article 4A, Part 2 (for municipalities under 5,000 population) or Part 3 (for municipalities of 5,000 or more).

1. Action by the General Assembly. The General Assembly may at any time enlarge the boundaries of a municipality by special act. The method is available to all municipalities unless its charter specifies otherwise. When this method is employed, a resolution is passed by the local governing body requesting its representative(s) in the General Assembly to introduce the annexation act. If approved by the General Assembly, the act may impose certain conditions on the municipality before the act is made effective.
2. The 100 Percent Petition Procedure. "The governing board of any municipality may annex by ordinance any area contiguous to its boundaries upon presentation to the governing board of a petition signed by the owners of all the real property located within such area". (G.S. 160A-31). The procedure involves a public hearing and a finding that the petition and the area meet the requirements of G.S. 160A-31.







3. By The Authority Granted Municipalities by Chapter 160A,  
Article 4A of the General Statutes of North Carolina.

The General Assembly has provided slightly different methods under this procedure for municipalities under 5,000 population as recorded by the last federal decennial census as opposed to those municipalities 5,000 and over in population. Since Lawndale's population is less than 5,000, the procedure for municipalities of this size group will be discussed.

The following requirements must be met:

- a. The area to be annexed must be contiguous to the municipality's corporate limits;
- b. At least one eighth of the total boundary of the area must coincide with the municipal boundary;
- c. No part of the area may be within another municipality;
- d. The area must be developed for urban purposes. For municipalities under 5,000 population, an area developed for urban purposes is defined as any area which is so developed that at least sixty percent of the total number of lots and tracts in the area at the time of annexation are used for residential, commercial, industrial, institutional, or governmental purposes, and is subdivided into lots and tracts such that at least sixty percent of the total acreage, not counting the acreage used





at the time of annexation for commercial, industrial, institutional or governmental purposes, consists of lots and tracts five acres or less in size; and

- e. New municipal boundaries must follow natural topographic features wherever practical, and if a street is used for a boundary it shall include developed land on both sides of the street.

Under this last method, the municipality is required to make plans for the extension of services to the area proposed to be annexed, prior to a public hearing. These plans shall include:

1. Maps showing present and proposed boundaries of the municipality, and the proposed extension of water and sewer outfalls to serve the annexed areas.
2. A statement showing that the area to be annexed meets the requirements of the General Statutes.
3. A statement setting forth plans for extending other municipal services into the area, and the method the municipality will use to finance these services.

#### Advantages of Annexation

Property owners in areas proposed for annexation often react negatively to such action because they feel annexation offers no advantages for them. On the contrary, annexation offers numerous advantages both for the property owners and the municipality. Following are some of the advantages to property owners:

1. Police Protection. More concentrated protection would be provided by Lawndale. The Cleveland County Sheriff's Department





now provides police protection to unincorporated areas of Cleveland County.

2. Fire Protection. Improved fire protection can be offered by Lawndale. This, in turn, would lower the fire insurance rates by changing the fire ratings in the area.
3. Solid Waste Collection and Disposal. Lawndale will provide for the collection and disposal of all solid waste (garbage and trash) for any newly annexed areas. The property owners now must dispose of garbage and trash themselves or purchase this service from a private contractor.
4. Water System. Areas unserved by Lawndale's water system will be provided with this service within a reasonable amount of time after annexation. This service is needed as an area becomes more densely developed to protect the health and safety of the residents and other property owners. In addition, increased water pressure from the Town's water system can be of major benefit in time of fire. Fire hydrants will be located in the annexed areas.
5. Street Lighting. Areas annexed by Lawndale will be provided with street lights which help prevent crime and accidents.
6. Right to Vote. Residents in the areas that are annexed by Lawndale will have the opportunity to vote in the Town elections and hold town office. Often, the Town Board of Aldermen makes decisions which affect those who reside outside the town limits. Yet, those affected have no voice in the election of this governing body.





7. Tax Exemption. Real and personal property taxes are an allowable exemption on both the State and Federal income tax forms.

Following are some of the advantages of annexation to the Town of Lawndale:

1. Increased Revenue. The property tax levy would provide the second largest source of new revenue if the proposed areas are annexed. Revenues from water service would provide funds for improvement and expansion of operations. Such revenues as franchise taxes, intangible taxes and Powell Bill funds are collected by the State and returned to municipalities. Intangible taxes are based on the ad valorem taxes levied in the preceding fiscal year. The distribution of franchise taxes to the municipalities is based on the gross receipts from sales. Powell Bill funds are based on a combination of local street mileage and population.
2. Increased Tax Base. The new real and personal property would increase the assessed tax valuation for Lawndale. This would increase the Town's debt limit and enable it to expand its services and facilities.
3. Increased Population. The increased population would enhance Lawndale's desirability as a site for new commercial and industrial expansion and support new levels of community services. Increased population would also enhance the Town's ability to compete for various funding programs from State and Federal Agencies.





## Goals

The annexation study has two primary goals:

1. To determine what areas, if any, can be proposed for annexation and can meet the statutory requirements of the State of North Carolina; and
2. To determine the feasibility, from an economic viewpoint, for the Town of Lawndale to annex any areas which are found to meet the statutory requirements referred to in 1 above. If the cost of providing municipal services to the annexed area is too great, relative to new revenue brought in, the proposed area may need to be reduced in size or eliminated.





## CHAPTER 2

### ANNEXATION STUDY AREAS

The Town of Lawndale is considering two areas for possible annexation. Both areas were measured and evaluated for statutory compliance. Original study boundaries were then drawn following statutory requirements that "a municipal governing board shall, wherever practical, use natural topographic features such as ridge lines and streams and creeks as boundaries, and if a street is used as a boundary, include within the municipality developed land on both sides of the street" (G.S. 160-453.4d). It was found that the areas included within the original study boundaries would not meet all the statutory requirements. Therefore the boundaries were redrawn until both study areas met all requirements. Efforts were made to include a safety margin in meeting the area requirements in order to avoid measurement errors that would affect the validity of the annexation ordinance.

Mention should be made that the terms "lot" and "tract" are not defined in the General Statutes as to whether they refer to use or ownership. The courts have been quite liberal in allowing any of several definitions to be used. According to one decision:

"There are several methods which can be used in determining what is a lot in making an appraisal of an area to be annexed. One is to count each numbered lot separately. Another is to consider a landlocked lot as part of the lot in front of it and group the two lots -- the landlocked lot and the one providing it with access to a street -- as being a single lot. A third method would be to consider a group of lots in single ownership and used for a single purpose as being a tract within the meaning of the statute,





and count tracts rather than lots. Any one of these methods would be "calculated to provide reasonably accurate results" as required by G. S. 160-453-10. Adams-Millis Corp. vs.

Town of Kernersville, 6 N. C. app. 78, 169 S.E. 2d 496 (1969)".

Land uses were obtained from County tax office and an actual survey, utilizing tax maps, conducted in September, 1978.



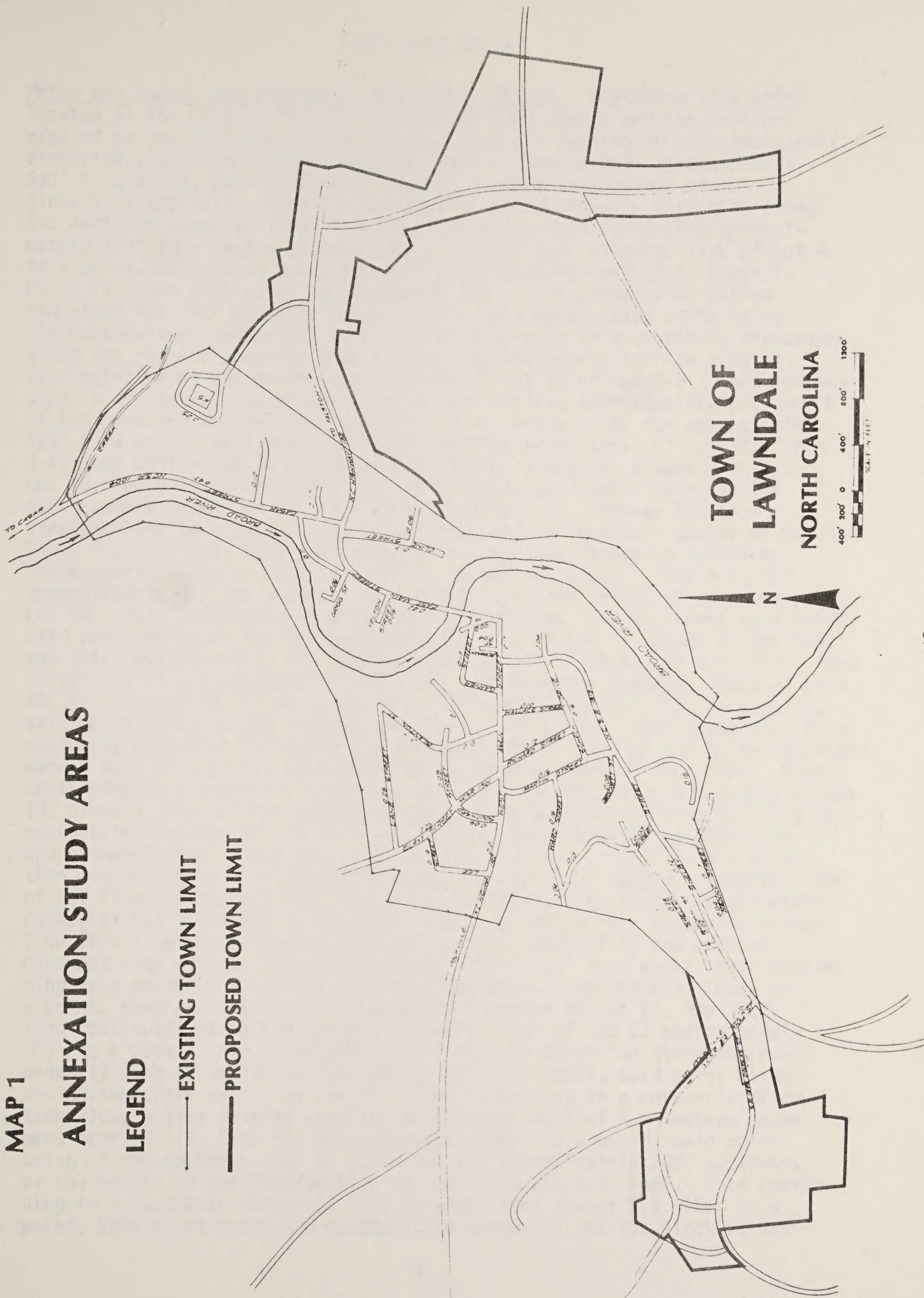


MAP 1

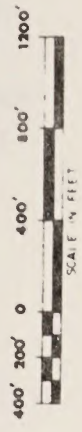
ANNEXATION STUDY AREAS

LEGEND

- EXISTING TOWN LIMIT
- PROPOSED TOWN LIMIT



TOWN OF  
LAWNDALE  
NORTH CAROLINA







### Study Area No. 1

Metes and Bounds Description of Area No. 1 (East): Beginning at a point located at the intersection of the present town limits and the northern edge of pavement of the Piedmont School Road and running in a southeasterly direction along the northern edge of Piedmont School Road approximately 590' to a point, said point being at the northwestern corner of Lot 4, Block 1 of Map 9-11. Then continuing 270' in an easterly direction along the northern property line of Lot 4 to a point, then continuing approximately 150' in a southerly direction along the rear property line of Lot 4 to a point, said point being the northwestern corner of Lot 1, Block 1, Map 9-11, then continuing approximately 152' in an easterly direction and along the rear property line of Lot 1 to a point, said point being the northeastern corner of Lot 1. Then continuing in a southerly direction along the eastern property line of Lot 1 approximately 100' to a point, said point being the northwestern corner of Lot 19 of Map 9-7. Then continuing in an easterly direction along a line running approximately 200' north of and parallel to the right-of-way of N. C. Highway 182 for approximately 735' to a point, said point being the northeastern corner of Lot 18 of Map 9-7, then continuing in a southerly direction along the property line of Lot 18, Map 9-7 approximately 200' to a point, said point being at the southeastern corner of Lot 18. Then crossing N. C. Highway 182 in a straight line to a point, said point being the northeastern corner of Lot 1 Block 1 of Map 9-9, then continuing in a southerly direction following the property lines of Lots 1, 6, 7, 8, 9, and 9A, Block 1, Map 9-9, for approximately 815' to a point, said point being the southeastern corner of Lot 9A. Then continuing in a straight line across unnamed street to a point, said point being on the northern property line of Lot 10, Block 1, Map 9-9, and lying approximately 120' southeast of the right-of-way of S.R. 1005. Then continuing in a southeasterly direction following the property lines of Lots 10, 11, 22, and 23, Block 1, Map 9-9, for approximately 1,175' to a point, said point being at the northeastern corner of Lot 23. Then continuing in a southerly direction following the eastern property line of Lot 23 for approximately 295' to a point, said point being in the center of S.R. 1802. Then continuing in a southerly direction and following the eastern boundary of Lot 13, Block 1, Map 9-8 for approximately 701' to a point, said point being the southeastern corner of Lot 13. Then continuing in a westerly direction approximately 676' along the southern property line of Lot 13 to a point, then continuing in a southwestern direction along the southern property line of Lot 13 approximately 100' to a point, said point being the northeastern corner of Lot 14, Block 1, Map 9-8. Then continuing in a southerly direction in a line approximately 200' east of and parallel to the eastern pavement edge of S.R. 1005 for approximately 1,720' to a point, then continuing in a westerly direction in a straight line, crossing S.R. 1005, to a point, said point being the southeastern corner of Lot 22, Map 3220. Then continuing along the southern property line of Lot 22 approximately 200' to a point, then continuing in a northerly direction along the rear property line of Lot 22 approximately 150' to a point, said point being the northwestern corner of Lot 22. Then continuing in a northerly direction along a line running parallel to and 200' west of the western pavement edge of S.R. 1005 for approximately 1,550' to a point, said point being at the southern edge of S.R. 1866 and approximately 240' southwest of the center of the intersection of S.R. 1005 and S.R. 1866. Then continuing in a northerly direction in a straight line across S.R. 1866 to a point, said point being the southwestern corner of Lot 10, Block 1, Map







9-10, then continuing in a northwesterly direction for approximately 92' along the property line of Lot 10 to a point, said point being the northwestern corner of Lot 10. Then continuing in a westerly direction approximately 55' along the property line of Lot 11, Block 1, Map 9-10, to a point, said point being the southwestern corner of Lot 1-A, Block 1, Map 9-10. Then continuing in a northerly direction following the western property line of Lot 1-A approximately 200' to a point, said point being the northwestern corner of Lot 1-A. Then continuing in a northerly direction in a straight line approximately 320' to a point, said point being the southwestern corner of Lot 1, Block 2, Map 9-9. Then continuing in a northwestern direction and following the rear property lines of Lots 1-9, Block 2, Map 9-9, for approximately 1,050' to a point, said point being the northwestern corner of Lot 9. Then continuing approximately 37' in a northwesterly direction along the southern property line of Lot 10, Block 2, Map 9-9 to a point, then continuing along the southern property line of Lot 10 approximately 149' to a point, said point being the southwestern corner of Lot 10. Then continuing in a northwesterly direction, crossing an unnamed road, to a point, said point being the southeastern corner of Lot 1, Block 3, Map 9-9, then continuing in a northwesterly direction following the southwestern property line of Lot 1 approximately 282' to a point, then continuing in a northeasterly direction following the rear property line of Lots 1 and 3, Block 3, Map 9-9 for approximately 255' to a point, said point being the northwestern corner of Lot 3. Then continuing in a westerly direction in a straight line approximately 510' to a point, said point being the southwestern corner of Lot 11, Block 3, Map 9-9. Then continuing in a southerly direction following the property line of Lot 12, Block 3, Map 9-9 approximately 91' to a point, said point being the southeastern corner of Lot 12, Block 3, Map 9-9, then following the southern boundary of Lot 12 in a westerly direction approximately 100' to a point, said point being the southwestern corner of Lot 12. Then continuing in a northerly direction along the western property line of Lot 12 approximately 185' to a point, then continuing in a straight line in a westerly direction for approximately 500' to a point, said point being the southeastern corner of Lot 4, Block 1, Map 9-10. Then continuing in a westerly direction and following the rear lot lines of Lots 4, 5, 6, and 7, Block 1, Map 9-10 to a point, said point being the most southern corner of Lot 7. Then continuing in a southwesterly direction following the property line of Lot 3, Block 1, Map 9-10, approximately 400' to a point, then continuing with said property line in a southwesterly direction for approximately 200' to a point, said point being the southwestern corner of Lot 3. Then continuing in a northerly direction approximately 83' to a point, then in southwesterly direction approximately 40' to the right-of-way of Cline Drive, then continuing in a southwesterly direction across Cline Drive approximately 60' to a point, said point being the northeastern corner of Lot 14, Block 3, Map 9-10, then following the northern property line of Lot 14 to the present town limit line. Then following the present town limit line in a northeasterly direction to point of beginning.







Area No. 1 meets the following standards as prescribed by G.S. 160A-36:

1. The area is contiguous to the present Lawndale corporate limits.
2. The total external boundary of the area is 17,000 feet. Of this total, 2,200 feet or 12.9 percent, coincide with the existing corporate limits. The requirement is at least 12.5 percent.
3. No part of the area is within the boundary of another incorporated municipality.
4. The area is developed for urban purposes as follows:
  - a. The area contains 79 lots and tracts of which 54, or 68.4 percent, are used for residential, commercial, industrial, institutional or governmental purposes. The requirement is at least 60 percent.
  - b. The total acreage of the area, not counting acreage used for commercial, industrial, governmental, or institutional purposes is 84.23. Of this total, 55.66 acres or 78 percent, are in lots or tracts of five acres or less. The requirement is at least 60 percent.

There are 50 houses and four commercial establishments in the study area. The estimated population is 170.





## Study Area No. 2

Metes and Bounds Description of Area No. 2 (West): Beginning at a point on the Lawndale present town limit line, said point being approximately 625' northeast of the center of the intersection of S.R. 1814 and S.R. 1849, then running in a southwesterly direction in a straight line approximately 730' to a point at the edge of the pavement of S.R. 1814. Then continuing along the edge of the pavement of S.R. 1814 in a northwesterly direction for approximately 660' to a point at the northwestern edge of the intersection of the pavement on S.R. 1814 and S.R. 1815, then continuing in a northerly direction along the western edge of the pavement of S.R. 1815 approximately 200' to a point, said point being the northeastern corner of Lot 18, Block 7, Map 9-12, then following in a westerly direction the rear property lines of Lots 18, 16, 15, 14, and 12 on Block 7 of Tax Map 9-12 for approximately 742' to a point, said point being at the northwestern corner of Lot 12, then continuing in a northerly direction following the eastern property line of Lot 11, Block 7, Map 9-12 for approximately 125' to a point, then continuing in a straight line in a northwesterly direction approximately 148' to a point, then continuing in a southwesterly direction following the property line of Lot 11 for approximately 340' to a point at the northern pavement edge of S.R. 1814, then continuing in a straight line in a southwesterly direction for approximately 30' to a point at the southwestern corner of the intersection of S.R. 1814 and S.R. 1863, said point being approximately 40' northwest of the northwest corner of Lot 10 in Block 6, Map 9-12, then continuing in a southeasterly direction in a straight line for approximately 40' to a point at the northwestern corner of Lot 10, Block 6, then continuing in a westerly direction for approximately 360' along the property lines of Lots 8 and 10 on Block 6 to a point, then continuing in a southerly direction following the rear property lines of Lots 8, 7, 6 and 5 on Block 6 for approximately 380' to a point, said point being at the northern edge of S.R. 1858. Then continuing approximately 440' in an easterly direction following the northern edge of S.R. 1858 to a point, said point being at the northwestern corner of Lot 15, Block 4. Then continuing in a southerly direction following the western property lines of Lots 15 and 16 on Block 4 for approximately 780' to a point, said point being approximately 20' west of the northwestern corner of Lot 22, Block 4. Then continuing in an easterly direction following the southern property line of Lot 16, Block 4 for approximately 290' to a point, then following the property line of Lot 16, Block 4 in a southerly direction approximately 293' to a point, then following the property line of Lot 16 approximately 600' in an easterly direction to a point. Then continuing in a northerly direction approximately 171' along the property line of Lot 16 to a point, then continuing along the property line of Lot 16 in an easterly direction approximately 180' to a point, then continuing in a northerly direction along the property line of Lot 16 approximately 426' to a point, said point being the southwestern corner of Lot 17, Block 4. Then following the rear property lines of Lots 17, 18, 19, 20, and 21, Block 4 in an easterly direction approximately 340' to a point, said point being at the southeastern corner of Lot 21 (current town limit). Then following the present town limit to point of beginning.







Area No. 2 meets the following standards as prescribed by G.S. 160A-36:

1. The area is contiguous to the present Lawndale corporate limits.
2. The total external boundary of the area is 8,640 feet. Of this total, 1,260 feet or 14.6 percent, coincide with the existing corporate limits. The requirement is at least 12.5 percent.
3. No part of the area is within the boundary of another incorporated municipality.
4. The area is developed for urban purposes as follows:
  - a. The area contains 50 lots and tracts of which 33, or 66.0 percent, are used for residential, commercial, industrial, institutional, or governmental purposes. The requirement is at least 60 percent.
  - b. The total acreage of the area, not counting the acreage used for commercial, industrial, governmental, or institutional purposes, is 25.28. All of this acreage is located in lots and tracts of less than five acres. The requirement is that at least 60 percent of this acreage be in lots and tracts of five acres or less.

There are 30 houses, one business, one church, one public school, and one lodge located in this area. The estimated population for the area is 102. Three houses, the church, lodge and school are currently receiving Town water.



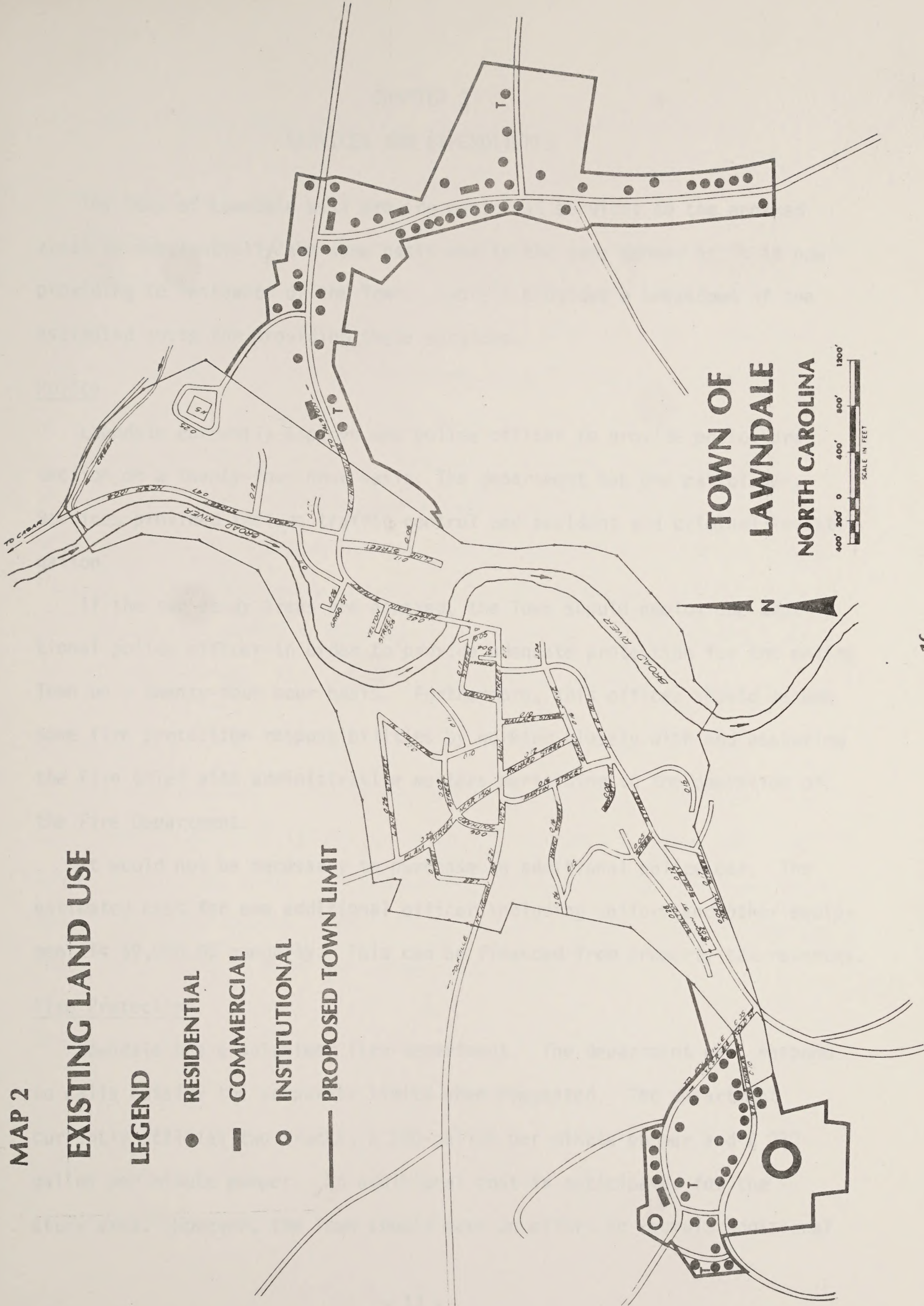


MAP 2

EXISTING LAND USE

LEGEND

- RESIDENTIAL
- COMMERCIAL
- INSTITUTIONAL
- PROPOSED TOWN LIMIT









### CHAPTER 3

#### SERVICES AND EXPENDITURES

The Town of Lawndale will provide municipal services to the annexed areas on substantially the same basis and in the same manner as it is now providing to residents of the Town. Table 2 provides a breakdown of the estimated costs for providing these services.

##### Police

Lawndale currently employs one police officer to provide police protection on a twenty-four hour basis. The department has one patrol car. Services provided include traffic control and accident and criminal investigation.

If the two study areas are annexed, the Town should employ one additional police officer in order to provide adequate protection for the entire Town on a twenty-four hour basis. Furthermore, this officer should assume some fire protection responsibilities by working closely with and assisting the Fire Chief with administrative matters pertaining to the operation of the Fire Department.

It would not be necessary to purchase an additional police car. The estimated cost for one additional officer including uniform and other equipment is \$9,000.00 annually. This can be financed from property tax revenues.

##### Fire Protection

Lawndale has a volunteer fire department. The department will respond to calls outside the corporate limits when requested. The department currently utilizes two trucks; a 500-gallon per minute pumper and a 750-gallon per minute pumper. No additional cost is anticipated for the study area. However, the Town should make an effort to recruit additional





volunteer firemen, especially from the proposed annexation areas.

#### Garbage Collection and Disposal

Garbage collection and disposal are provided to Town residents and are financed from property tax revenues. The Town contracts with a private collection firm to provide pick-up service to Town residents. The firm charges the Town \$3.00 per residence per month for service. The cost to the Town would be \$1,800.00 in Area No. 1 and \$1,080.00 for Area No. 2 to provide residential pick-up. Area No. 1 contains four commercial establishments which will cost approximately \$720.00 annually for garbage pick-up. Area No. 2 contains one commercial establishment and one church. Pick-up to these two establishments will be approximately \$252.00 annually. In addition, the school in Area No. 2 is currently paying \$64.14 per month for garbage pick-up. This amounts to \$770.00 annually.

#### Street Lights

The Town provides street lights within the corporate limits and pays approximately \$3.67 per light per month. If lights are placed 300 feet apart in the study areas, the estimated cost would be \$1,104.00 annually for 25 lights in Area No. 1 and \$744.00 annually for 17 lights in Area No. 2. These costs could be paid from property tax revenue.

#### Street Maintenance

The Town will not incur street maintenance costs since the streets in the proposed areas are maintained by the N. C. Department of Transportation. At some point in time, the Town may want to finance the paving of the unpaved sections of S.R. 1858 and 1863.





## Water System Improvements

When a Town annexes an area by ordinance pursuant to Part 2 of Chapter 160A of the General Statutes, the municipality must provide for the extension of water service. The law states the Town must have plans and begin construction of major trunk water mains within one year of the effective date of annexation. Both the West and East areas will require the extension of water lines and the placement of fire hydrants for fire protection purposes. Furthermore, the Town's consulting engineers, Butler Associates, have determined that a new town well will be needed with the expansion of the Town. On behalf of the Town, Butler Associates has made application for State Clean Water Bond Funds to finance a portion of the proposed well.

The costs for the proposed water lines and additional well have been estimated with the assistance of Butler Associates and are shown in the following table. Those improvements will be the most costly services for the Town to provide in the proposed annexation areas.

It should be noted that there is currently no public sewer system in the Town of Lawndale. Therefore, the Town is not responsible for providing such a service to the proposed annexation areas.





TABLE 1

Water System Improvements

Proposed Town Well: \$33,650.00

## Water Line Cost:

East Area (Area No. 1)

2,400' of 8" pipe	-	\$19,200.00
4,420' of 6" pipe	-	\$26,520.00
820' of 2" pipe	-	\$ 2,450.00
13 hydrants	-	\$ 6,500.00
Valves	-	\$ 5,750.00
Miscellaneous	-	\$ 7,500.00
Engineering	-	\$ 6,000.00
Survey	-	\$ 1,500.00
Legal Fees	-	\$ 1,500.00
		<u>\$76,930.00</u>
5% Contingency		<u>\$ 3,846.00</u>
		\$80,776.00

West Area (Area No. 2)

2,740' of 6" pipe	-	\$16,440.00
5 hydrants	-	\$ 2,500.00
Valves	-	\$ 1,600.00
Miscellaneous	-	\$ 2,500.00
Engineering	-	\$ 2,000.00
Survey	-	\$ 500.00
Legal Fees	-	\$ 500.00
		<u>\$26,040.00</u>
5% Contingency		<u>\$ 1,302.00</u>
		\$27,342.00



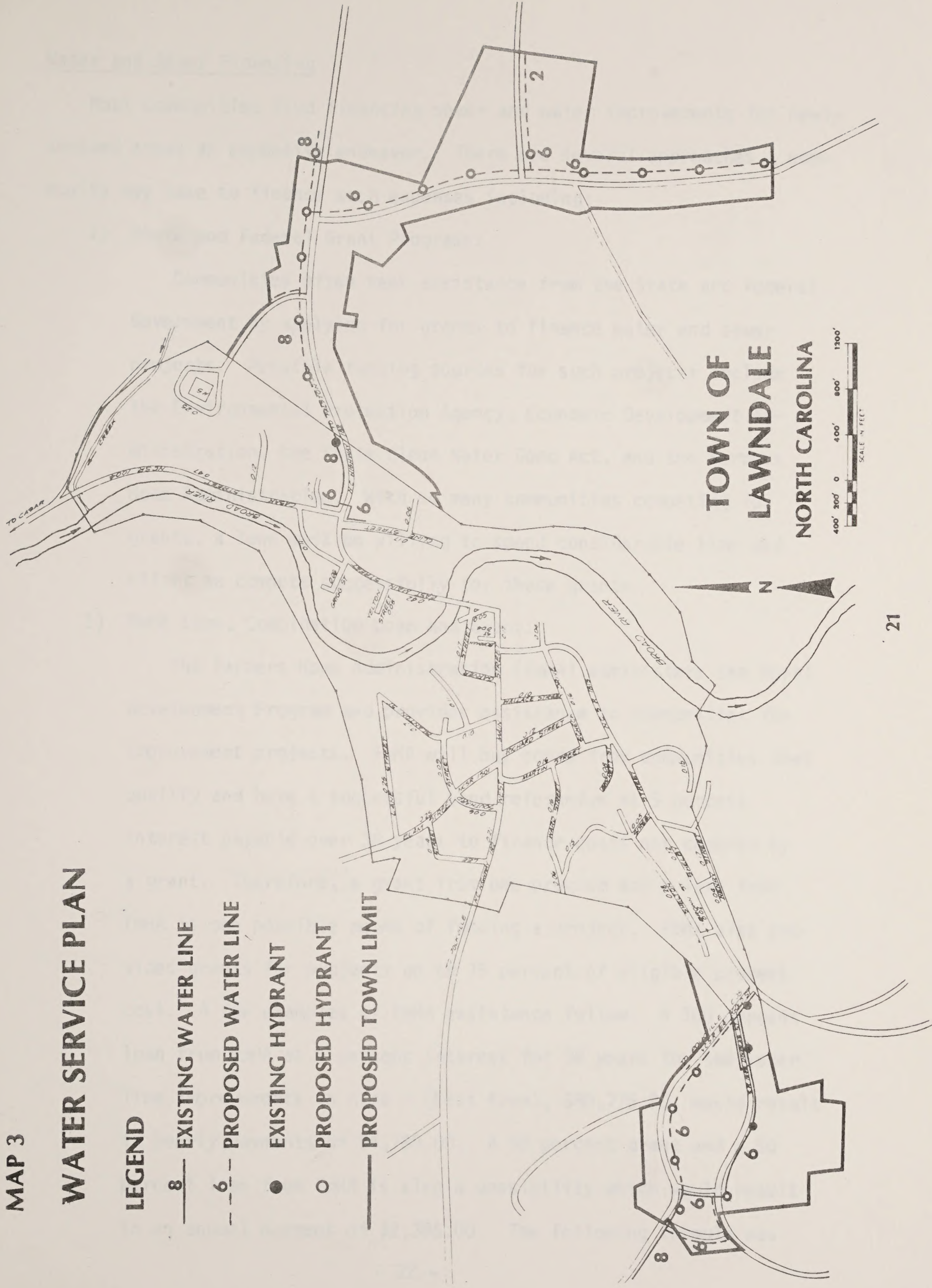


# MAP 3

## WATER SERVICE PLAN

### LEGEND

- 8 ——— EXISTING WATER LINE
- 6 - - - PROPOSED WATER LINE
- EXISTING HYDRANT
- PROPOSED HYDRANT
- PROPOSED TOWN LIMIT







## Water and Sewer Financing

Most communities find financing sewer and water improvements for newly annexed areas an expensive endeavor. There are several approaches a community may take to finance such expenses including:

### 1) State and Federal Grant Programs:

Communities often seek assistance from the State and Federal Government by applying for grants to finance water and sewer projects. Possible funding sources for such projects include the Environmental Protection Agency, Economic Development Administration, the State Clean Water Bond Act, and the Farmers Home Administration. With so many communities competing for grants, a Town must be willing to spend considerable time and effort to compete successfully for these grants.

### 2) FmHA Loan, Combination Loan and Grant:

The Farmers Home Administration (FmHA) administers the Rural Development Program and provides assistance to communities for improvement projects. FmHA will buy bonds from communities that qualify and have a successful bond referendum at 5 percent interest payable over 38 years to finance costs not covered by a grant. Therefore, a grant from one program and a loan from FmHA is one possible means of funding a project. FmHA also provides grants for projects up to 75 percent of eligible project cost. A few examples of FmHA assistance follow: A 100 percent loan from FmHA at 5 percent interest for 38 years for the water line improvements in Area 1 (East Area), \$80,775.00, would result in yearly payments of \$4,789.00. A 50 percent grant and a 50 percent loan from FmHA is also a possibility which would result in an annual payment of \$2,395.00. The following formula was







used for these calculations and can be used with the other study area:

$$.05929 \times \text{AMOUNT OF LOAN} = \text{ANNUAL DEBT REPAYMENT}$$

(Source: FmHA)

### 3) Local Funding

Municipalities are often willing to use current revenues and/or capital reserve funds to invest in capital improvements in an area that generates enough annual property tax revenues and other revenues to pay for such improvements over a reasonable period of time. Some communities find a capital improvements program as a handy tool for scheduling capital expenditures. The capital program is a plan for capital expenditures over a period of years to meet capital improvements. The capital program sets forth the improvements projects and specifies the City's full resources estimated to be available to finance the projected expenditures.

Some communities issue general obligation bonds as a means of financing large capital improvements. This involves a bond referendum with the approval of the municipality's electorate.

If Lawndale annexes either or both of the proposed areas, the Town should use a combination of the above three methods for financing the necessary water improvements. Ideally, a community hopes to obtain grants for water improvements and should apply for such grants. However, the Town should be prepared to finance at least a portion of such projects directly through local funds, or be prepared to issue bonds in an amount sufficient to finance the construction of the necessary improvements.





CHAPTER 4  
REVENUE ESTIMATES

Estimates of revenues and expenditures for the study area should prove useful to Town officials in determining whether or not annexation should be implemented. However, it should be emphasized that these are only estimates and should not be viewed as precise figures.

The basis for estimating revenues will first be discussed in general terms and then applied to the study area.

Estimates of revenues which Lawndale can expect from annexation were derived from a land use survey analysis, the Town's annual budget, and information from the Cleveland County Tax Office. All estimates are computed on an annual basis and represent revenues that can be obtained from the areas as they are currently developed.

Sources of revenue for the Town of Lawndale are as follows:

1. Ad Valorem Tax: The assessed valuation of property in the study areas was obtained from the Cleveland County Tax Office. Total assessed valuation in Area 1 is \$829,480.00. By multiplying this figure by the Town's tax rate of \$4.50 per \$1,000.00, an estimated annual property tax revenue of \$3,733.00 for Area 1 was obtained. Total valuation in Area 2 is \$213,295.00. Estimated annual property tax revenue for this area is \$960.00. These valuations include both real and personal property.
2. Powell Bill Funds: The State collects a tax on every gallon of motor fuel sold in the State. From this tax one cent on each gallon is allocated for and distributed back to the municipalities. The municipalities share three-fourths of a cent based on "Population Estimates for Local Governmental Tax Distribution" calculated annually by the Office of State







Planning and one-fourth of a cent based on mileage of town-maintained streets. The streets in the Town study areas are all State-maintained. Thus, in figuring Powell Bill revenue, only the per capita figure is used. Currently this is \$9.49. This will yield an estimated \$1,613.00 annually in Area 1 and \$968.00 annually in Area 2.

3. Intangible Tax: The State collects an intangible tax on such personal property as cash, stock and bonds, and returns 90 to 95 percent of these funds to the counties and municipalities on the basis of population. The funds are in turn distributed between the county and its municipalities according to the latest levy of ad valorem (property) taxes. Lawndale currently receives approximately four cents of intangible tax revenue for every dollar of ad valorem tax revenue. Applying this figure to the estimated ad valorem tax revenue in the two study areas yields an estimated annual intangible tax revenue of \$149.00 in Area 1 and \$38.00 in Area 2.
4. Franchise Tax: Franchise taxes are collected by the State from such public service companies as gas, telephone, lights and power, bus, water and sewer companies. Municipalities receive from the State three percent of the total gross receipts derived from the sale of commodities within the municipality. Lawndale currently receives forty-seven cents in franchise tax revenue for every dollar of ad valorem tax revenue. Based on this ratio, the estimated











revenues of approximately \$2,520.00 annually. Estimated total water revenue from Area 2 after annexation is \$3,528.00 annually. This estimate is based on a monthly average of \$7.00 for all new customers and one-half the rate charged to those outside customers currently receiving Town water. Using these estimates the anticipated additional revenue in Area 2 is \$1,008.00 annually.

7. Privilege License: Based on the Town's current charges for business privilege licenses, expected annual revenue from Area 1 would be \$49.00 and from Area 2 would be \$14.00.





TABLE 2

## Estimated Revenues and Expenditures

Estimated Annual Revenues

	<u>Area 1 (East)</u>	<u>Area 2 (West)</u>	<u>Total</u>
Ad Valorem Tax	\$ 3,733.00	\$ 960.00	\$ 4,693.00
Powell Bill	1,613.00	968.00	2,581.00
Intangible Tax	149.00	38.00	187.00
Franchise Tax	1,755.00	451.00	2,206.00
Sales Tax	3,380.00	2,028.00	5,408.00
Privilege Tax	49.00	14.00	63.00
Water Revenues <sup>1</sup>	<u>4,536.00</u>	<u>1,008.00<sup>2</sup></u>	<u>5,544.00</u>
Total Annual Revenue	\$15,215.00	\$5,467.00	\$20,682.00

Estimated Annual Cost

	<u>Area 1 (East)</u>	<u>Area 2 (West)</u>	<u>Total</u>
Police (One Additional Policeman)	\$4,500.00	\$4,500.00	\$ 9,000.00
Fire	--	--	--
Garbage Collection	2,520.00	2,102.00	4,622.00
Street Lighting	<u>1,104.00</u>	<u>744.00</u>	<u>1,848.00</u>
Total Annual Cost	\$8,124.00	\$7,346.00	\$15,470.00

Capital Investments in Water System

Cost for new Town Well		\$33,650.00
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	<u>Area 1 (East)</u>	<u>Area 2 (West)</u>	<u>Total</u>
Cost of Water Lines	\$80,776.00	\$27,342.00	\$108,118.00
Annual Cost for Water Lines with 100% FmHA Loan	\$4,789.00	\$1,621.00	\$6,410.00
Annual Cost for Water Lines with 50% FmHA Loan and 50% Grants	\$2,395.00	\$811.00	\$3,206.00

<sup>1</sup>Does not include tap on fees.<sup>2</sup>Total Annual Water Revenue estimated for Area 2 at \$3,528.00, less current revenues received of \$2,520.00, for a net revenue increase of \$1,008.00.





## CHAPTER 5

### CONCLUSION - RECOMMENDATIONS

This report is intended to determine the feasibility of annexation by ordinance of areas adjacent to the Town of Lawndale in accordance with Part 2 of Chapter 160A of the North Carolina General Statutes. The report has studied two areas in detail and for each area has: 1) provided for the qualification of each area by the standards and requirements of G.S. 160A-36, 2) provided for cost estimates and general plans for the extension of municipal services to each area, and 3) provided for revenue estimates to be expected from each area.

The following recommendations regarding the possibility of annexing Areas 1 or 2 or both are based upon Chapters 3 and 4 and the cost revenue analysis provided in Table 2. The major cost to the Town for annexing either or both of the two study areas will be for the provision of water services through an expanded water system. Other costs such as for providing police service, garbage collection, and street lighting could be covered through the general revenues generated from these areas when included within the Town. Since water system expansions are so costly the Town will have to borrow funds and/or be successful in applying for grants that will assist the Town with these improvements. Therefore, the actual decision as whether to annex or not must be dependent upon the availability of loans, such as through FmHA as described on pages 22 and 23, and the availability of grant monies from such sources as FmHA, State Clean Water Bond Funds, and EDA. A combination loan from FmHA and grant would finance the cost of water lines and make annexation of the two areas feasible. The Town's consulting engineers have recently submitted on behalf of the Town an application for State Clean Water Bond funds to partially fund the proposed new Town well. This well will







be needed in order to annex the two proposed areas and the Town should resolve the issue of funding the well before further considering the two proposed annexations.

The Town should have their consulting engineer prepare the plans for the proposed water lines and submit an application for State Clean Water Bond funds to partially fund these lines. Likewise, the Isothermal Planning and Development Commission staff should submit grant applications for other sources of grant funding. Upon receiving the grants the Town should be prepared to match these grants with local funds or hold a bond referendum in order to borrow funds from FmHA to complete the funding of the water lines.





## Other Recommendations

### Water Extensions

The Town of Lawndale should formally adopt a water extension policy. The policy should address both inside and outside city situations. Such a policy should have an application procedure, including review of plans, for extensions and clearly designate the Town's responsibility as well as individual property owners' responsibility in the provision of these services. The policy should clearly describe any responsibilities that may be imposed upon individual property owners for the extension of services, such as individual property assessments, etc.

The Town's consulting engineers, Butler Associates, have prepared "Rules and Regulations of Lawndale Water System". This set of regulations should be, if not already, adopted by the Town. The regulations address rate schedules and tap on fees, applications for service, minimum charges, consumer responsibilities, extension to water mains, meter reading, etc.

### Subdivision Regulations

The Town should adopt subdivision regulations in order to assure the proper installation of improvements in new developments. Subdivision regulations establish minimum standards of design and improvement requirements and provide a review procedure whereby a planning board reviews all proposed subdivision plats.

The Town should either develop their own subdivision regulations or adopt by resolution the Cleveland County Subdivision Regulations. If the Town formally adopts a water extension policy, then adoption of the County's subdivision regulations should be sufficient to insure the proper installation of necessary improvements.





RESOLUTION STATING THE WILL OF THE PEOPLE OF THE TERRITORY OF NORTH CAROLINA  
ON THE QUESTION OF THE ADOPTION OF THE  
CONSTITUTION OF THE UNITED STATES  
AS AMENDED

BE IT RESOLVED BY THE PEOPLE OF THE TERRITORY OF NORTH CAROLINA, that they do hereby

Section 1. That the people of the Territory of North Carolina do hereby adopt the Constitution of the United States as amended, and do hereby authorize the Governor of the Territory to execute the same.

Section 2. That the people of the Territory of North Carolina do hereby

Section 3. That the people of the Territory of North Carolina do hereby

Section 4. That the people of the Territory of North Carolina do hereby

Section 5. That the people of the Territory of North Carolina do hereby

APPENDIX

Adopted this \_\_\_\_\_ day of \_\_\_\_\_





A RESOLUTION STATING THE INTENT OF THE (CITY)(TOWN)  
OF \_\_\_\_\_, TO CONSIDER ANNEXATION OF THE AREA  
DESCRIBED HEREIN AND FIXING THE DATE OF PUBLIC HEARING  
ON THE QUESTION OF ANNEXATION

BE IT RESOLVED by the (name of governing body) of the (City)(Town) of \_\_\_\_\_:

Section 1. That it is the intent of the (name of governing body) of the (City)(Town) of \_\_\_\_\_, to consider annexation of the following described territory pursuant to Part 2, Article 4A of Chapter 160A of the General Statutes of North Carolina:

(Insert Metes and Bounds Description)

Section 2. That a public hearing on the question of annexing the above described territory will be held at (place of hearing) at \_\_\_\_ o'clock, \_\_\_\_ .m., on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at which time plans for extending services to said territory will be explained and all residents of the (City)(Town) of \_\_\_\_\_, will be given an opportunity to be heard.

Section 3. That a report of plans for extending services to the above described territory be made available for public inspection at the office of the (City)(Town) Clerk at least fourteen (14) days prior to the date of said public hearing.

Section 4. That notice of said public hearing shall be given by (publication) (posting) as required by law.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Signed \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk





NOTICE OF PUBLIC HEARING ON QUESTIONS OF ANNEXATION

The public will take notice that the (name of governing body) of the (City)(Town) of \_\_\_\_\_ will hold a public hearing at (place of hearing) at \_\_\_\_\_ o'clock, \_\_\_\_\_.m., on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, on the question of annexation of the territory described below, pursuant to Part 2, Article 4A, Chapter 160A of the General Statutes of North Carolina, at which time the plans for extending municipal services to said territory will be explained and all persons resident or owning property in said territory and all residents of the (City)(Town) of \_\_\_\_\_, will be given an opportunity to be heard.

The report of plans for extending services to said territory will be available for public inspection at the office of the (City)(Town) Clerk at least fourteen (14) days prior to the date of said public hearing. (In addition, summaries of the full report will be available for public distribution.)<sup>1</sup>

The area to be considered for annexation is described as follows:

(Insert Metes and Bounds Description)

Signed \_\_\_\_\_

(City)(Town) Clerk

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<sup>1</sup>To be used if appropriate.





EXCERPT FOR RECORDING APPROVAL IN MINUTES

"After examination and discussion of the report of plans for extending services to the area to be considered for annexation under Resolution No. \_\_\_\_\_, adopted the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, Mr(s). \_\_\_\_\_ moved approval of the report, seconded by Mr(s). \_\_\_\_\_ and passed, \_\_\_\_\_ votes to \_\_\_\_\_".





AN ORDINANCE TO EXTEND THE CORPORATE LIMITS OF THE  
(CITY)(TOWN) OF \_\_\_\_\_, UNDER THE AUTHORITY  
GRANTED BY PART 2, ARTICLE 4A, CHAPTER 160A OF THE  
GENERAL STATUTES OF NORTH CAROLINA

WHEREAS, all of the prerequisites to adoption of this ordinance prescribed in Part (2), Article 4A, Chapter 160A of the General Statutes of North Carolina, have been met; and

WHEREAS, the (name of governing body) has taken into full consideration the statements presented at the public hearing held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, on the question of this annexation; and

WHEREAS, the (name of governing body) has concluded and hereby declares that annexation of the area described herein is necessary to the orderly growth and development of the (City)(Town) of \_\_\_\_\_:

NOW, THEREFORE, BE IT ORDAINED by the (name of governing body) of the (City)(Town) of \_\_\_\_\_:

Section 1. That from and after the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the effective date of this annexation, the following territory shall be annexed to and become a part of the (City)(Town) of \_\_\_\_\_, and the corporate limits of the (City)(Town) of \_\_\_\_\_ shall on said \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, be extended to include said territory more particularly described by metes and bounds as follows:

(Insert Metes and Bounds Description)

Section 2. That the (name of governing body) does hereby specifically find and declare that the above described territory meets the requirements of G.S. 160A-36, in that:

SET FORTH IN DETAIL STATEMENTS SHOWING HOW AREA ACTUALLY  
MEETS THE STATUTORY STANDARDS. THIS SECTION MAY REITERATE  
THE CORRESPONDING STATEMENT IN THE REPORT OF PLANS FOR  
SERVICES.

Section 3. That it is the purpose and intent of the (City)(Town) of \_\_\_\_\_, to provide services to the area being annexed under this ordinance, as set forth in the report of plans for services approved by the (name of governing body) on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and filed in the office of the Clerk for public inspection.

(Continued on following page)







ALTHOUGH THE FOREGOING MAY SATISFY THE STATUTORY REQUIREMENT, IT IS RECOMMENDED THAT THE PLANS FOR SERVICES BE SET FORTH IN THIS SECTION IN DETAIL, IN SUBSTANTIALLY THE SAME LANGUAGE AS IN THE REPORT, INSOFAR AS MAY BE APPROPRIATE.

Section 4. That the (name of governing body) does hereby specifically find and declare that, on the effective date of annexation prescribed in Section 1 hereof, the (City)(Town) of \_\_\_\_\_ will have sufficient funds appropriated in the amount of \$ \_\_\_\_\_, to finance the estimated cost of construction of water and sewer facilities found necessary in the report of plans for services to extend the basic sewer and water system of the (City)(Town) of \_\_\_\_\_ into the area to be annexed under this ordinance.

NOTE: If bonds must be issued, the bond authorization is equivalent to an appropriation. However, if bonds are authorized, it is recommended that such be stated in this section.

Section 5. That from and after the effective date of this annexation, the territory annexed and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the (City)(Town) of \_\_\_\_\_, and shall be entitled to the same privileges and benefits as other parts of the (City)(Town).

Section 6. That the newly annexed territory described hereinabove shall be subject to (City)(Town) taxes according to G.S. 160A-37(f), as amended.

Section 7. That the Mayor of the (City)(Town) of \_\_\_\_\_ shall cause an accurate map of the annexed territory described in Section 1 hereof, together with a duly certified copy of this ordinance, to be recorded in the office of the Register of Deeds of \_\_\_\_\_ County, and in the office of the Secretary of State at Raleigh.

\* Section 8. That notice of the adoption of this ordinance shall be published once in a newspaper having general circulation in the (City)(Town) of \_\_\_\_\_.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Signed \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

\*Optional.







NOTICE OF ADOPTION OF ANNEXATION ORDINANCE \*

The public will take notice that the (name of governing body) of the (City)(Town) of \_\_\_\_\_ adopted an ordinance pursuant to Part (2), Article 4A, Chapter 160A of the General Statutes of North Carolina, annexing as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the territory described below.

Said ordinance was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and within thirty (30) days from said date, any person owning property in said territory who shall believe that he will suffer material injury by reason of any failure of the (name of governing body) to comply with the procedure or requirements prescribed by Part (2), Article 4A, Chapter 160A of the General Statutes of North Carolina, may file a petition in the Superior Court of \_\_\_\_\_ County, seeking review of the action of the (name of governing body).

The territory annexed under said ordinance is more particularly described as follows:

(Insert Metes and Bounds Description)

Signed \_\_\_\_\_  
(City)(Town) Clerk

\* Optional.









